



## **HB22-1198 will:**

- Provide robust public reporting of crucial information about HCSM operations in Colorado and beyond.
- Hold HCSMs accountable to best practices for financial integrity and stewardship.
- Educate all prospective HCSM members about the important differences between HCSMs and insurance.
- Ensure a productive relationship with Colorado's Attorney General, which oversees non-insurance charities like HCSMs.
- Establish robust enforcement authority to identify any bad actors.
- Preserve the religious liberty of Coloradans and their ability to live out their faith in their choice of providing for their families' health care needs.



**ALLIANCE** of  
Health Care Sharing Ministries

**For questions, please contact Representative Baisley**  
**[mark.baisley.house@state.co.us](mailto:mark.baisley.house@state.co.us)**

**\*\*\*NEWS RELEASE\*\*\***

For Immediate Release  
February 8, 2022

**CONTACT:**

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## **New Colorado legislation is aimed at protecting Health Care Sharing Ministries**

*Alliance of Health Care Sharing Ministries is grateful to Rep. Mark Baisley for championing transparency, clarity and accountability*

WASHINGTON D.C. — The *Alliance of Health Care Sharing Ministries (The Alliance, [ahcsm.org](http://ahcsm.org))* commended Colorado Representative Mark Baisley for introducing legislation that protects and informs the public as well as preserving religious liberty for members of Health Care Sharing Ministries.

*“Sponsored by Colorado Rep. Mark Baisley, the bill achieves twin goals of providing the public important information to help them make decisions for their health care while also preserving religious liberty for members of Health Care Sharing Ministries in the Rocky Mountain State,” said Katy Talento, executive director of the Alliance of Health Care Sharing Ministries. “If enacted, the bill will provide robust transparency to those searching for a health care solution, public accountability to ensure best practices among Health Care Sharing Ministries, and appropriate enforcement authority for the Attorney General.”*

Rep. Baisley, who has had a 40-year career in information technology in aerospace, defense, education and financial services, sits on the Health and Insurance Committee.

Specifically, the bill will:

- Provide robust public reporting of crucial information about HCSM operations in Colorado and beyond.
- Hold HCSMs accountable to best practices for financial integrity and stewardship.
- Educate all prospective HCSM members about the important differences between HCSMs and insurance.
- Ensure a productive relationship with Colorado’s Attorney General, which oversees non-insurance charities like HCSMs.
- Establish robust enforcement authority to identify any bad actors.
- Preserve the religious liberty of Coloradans and their ability to live out their faith in their choice of providing for their families’ health care needs.

*“The Alliance commends Rep. Baisley for being a champion for transparency, clarity and accountability with regard to Health Care Sharing Ministries,” Talento said. “He is looking out for the interests of many Colorado families who choose Health Care Sharing Ministries instead of health insurance, and also the general public, which will benefit from important information about Health Care Sharing Ministries as they search for the right health care solution.”*

Founded in 2007 and headquartered in Washington, D.C., *The Alliance of Health Care Sharing Ministries* was established as a 501(c)(6) trade organization to represent the common interests of Health Care Sharing Ministries which are facilitating the sharing of health care needs (financial, emotional, and spiritual) by individuals and families, and their participants. *The Alliance* engages with federal and state regulators and policy makers, members of the media, and the Christian community to provide accurate and timely information about Health Care Sharing Ministries.

Learn more about *The Alliance of Health Care Sharing Ministries* visit [www.ahesm.org](http://www.ahesm.org) or follow the ministry on [Facebook](#) or [Twitter](#).

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To interview a representative from *The Alliance of Health Care Sharing Ministries*, contact [Media@HamiltonStrategies.com](mailto:Media@HamiltonStrategies.com), Beth Harrison, 610.584.1096, ext. 105, or Deborah Hamilton, ext. 102.



# HB 22-1198

Legislative Council Staff  
Nonpartisan Services for Colorado's Legislature

## Fiscal Note

**Drafting Number:** LLS 22-0719  
**Prime Sponsors:** Rep. Baisley

**Date:** March 30, 2022  
**Bill Status:** House Health & Insurance  
**Fiscal Analyst:** Annie Scott | 303-866-5851  
Annie.Scott@state.co.us

**Bill Topic:** **MEDICAL EXPENSE SHARING PROGRAM REQUIREMENTS**

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input checked="" type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill establishes requirements for medical expense sharing programs, provides the Attorney General with oversight and enforcement authority, and exempts medical expense sharing programs from insurance laws and rules. The bill increases state revenue and expenditures and local government expenditures beginning in FY 2022-23.

**Appropriation Summary:** For FY 2022-23, the bill requires an appropriation of \$7,543 to the Department of Law.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 22-1198**

		<b>Budget Year</b> <b>FY 2022-23</b>	<b>Out Year</b> <b>FY 2023-24</b>
<b>Revenue</b>	General Fund	\$6,000	\$6,000
	<b>Total Revenue</b>	<b>\$6,000</b>	<b>\$6,000</b>
<b>Expenditures</b>	General Fund	\$7,543	\$11,315
	Centrally Appropriated	\$1,679	\$3,018
	<b>Total Expenditures</b>	<b>\$9,222</b>	<b>\$14,333</b>
	<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	TABOR Refund	\$6,000	\$6,000
	General Fund Reserve	\$1,131	\$1,697

## **Summary of Legislation**

The bill establishes requirements for organizations operating medical expense sharing programs (programs), provides the Attorney General with oversight and enforcement authority of the programs, and exempts the programs from state insurance regulations.

The bill requires that programs:

- provide written notice to both members and healthcare providers that it is not an insurance company, and that individuals are responsible for the payment of their own medical bills;
- confirm that applicants agree to the terms and conditions of the program;
- make certain financial information available to each member; and
- post specific information including contact information, member forms, program guidelines, and financial disclosures on its website.

If the program identifies as a non-profit under the federal tax code, it is prohibited from engaging in excess benefit transactions.

The bill requires the Attorney General to facilitate the annual filing process for each program's website link, and allows the imposition of a filing fee not to exceed \$100. The Attorney General is allowed to enforce the requirements outlined in the bill, provide notice of non-compliance, and impose an administrative penalty for each day that the violation continued after receipt of the notice.

Enforcement of the bill must take place in a manner that least burdens the religious exercise of any religious organization operating a program, or an individual member of the program.

## **Assumptions**

The fiscal note assumes that the bill will generate 60 filings per fiscal year with the Department of Law.

## **State Revenue**

This bill will increase revenue in the Department of Law by at least \$6,000 each year from website link filing fees and administrative penalties, which are subject to TABOR. Because no cash fund is identified, the fiscal note assumes fees will be deposited into the General Fund.

**Fee impact on medical expense sharing programs.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the Department of Law based on estimated program costs, and the estimated number of programs subject to the fee. Table 2 below identifies the fee impact of this bill assuming the maximum fee of \$100.

**Table 2  
Fee Impact on Medical Expense Sharing Programs**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Proposed Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
<b>FY 2022-23</b>	Filing fee	\$100	60	\$6,000
	<b>FY 2022-23 Total</b>			<b>\$6,000</b>
<b>FY 2023-24</b>	Filing fee	\$100	60	\$6,000
	<b>FY 2023-24 Total</b>			<b>\$6,000</b>

**State Expenditures**

The bill increases state expenditures in the Department of Law by \$9,222 in FY 2022-23 and \$14,333 in FY 2023-24 from the General Fund. Expenditures are shown in Table 2 and detailed below.

**Table 3  
Expenditures Under HB 22-1198**

	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>Department of Law</b>		
Personal Services	\$7,543	\$11,315
Centrally Appropriated Costs <sup>1</sup>	\$1,679	\$3,018
<b>Total Cost</b>	<b>\$9,222</b>	<b>\$14,333</b>
<b>Total FTE</b>	<b>0.2 FTE</b>	<b>0.2 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Law.** Beginning in FY 2022-23, the Department of Law requires 0.2 FTE to communicate with programs, receive website link filings and take enforcement actions. It is assumed that the position will be hired at a salary higher than the minimum starting salary, that General Funds will be required to support the activities of the department, and that any revenue from filing fees and administrative penalties will be minimal. Costs are adjusted for an October 1, 2022, start date and the General Fund pay date shift. To the extent that enforcement of the requirements under the bill requires additional resources, this will be addressed through the annual budget process.

**Department of Regulatory Agencies.** This fiscal note assumes that the Department of Regulatory Agencies will receive a negligible number of complaints in addition to complaints already received related to medical expense sharing programs, and that any increase in workload can be addressed within existing resources.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

## **Other Budget Impacts**

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the March 2022 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2023-24. Because TABOR refunds are paid from the General Fund, increased General Fund revenue will increase the TABOR refund obligation, but result in no net change to the amount of General Fund available to spend or save.

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve beginning in FY 2022-23. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$1,131 in FY 2022-23 and \$1,697 in FY 2023-24, which will decrease the amount of General Fund available for other purposes.

## **Local Government**

**District court.** Workload may increase in the district court of the City and County of Denver to consider orders or penalties for violations. As the number of violations elevated to the court is expected to be small, any fiscal impact is expected to be minimal.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State Appropriations**

For FY 2022-23, the bill requires a General Fund appropriation of \$7,543 to the Department of Law and 0.2 FTE.

## **State and Local Government Contacts**

Health Care Policy and Financing  
Law

Information Technology  
Regulatory Agencies

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0719.01 Christy Chase x2008

HOUSE BILL 22-1198

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HOUSE SPONSORSHIP

Baisley,

SENATE SPONSORSHIP

(None),

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**House Committees**  
Health & Insurance

**Senate Committees**

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A BILL FOR AN ACT

101 CONCERNING REQUIREMENTS FOR ORGANIZATIONS OPERATING  
102 MEDICAL EXPENSE SHARING PROGRAMS IN COLORADO.

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill imposes requirements on any organization that operates a medical expense sharing program (program), which is defined as a program, arrangement, or activity offered in Colorado that:

- Facilitates the sharing and payment of medical expenses among members using member-contributed funds; and
- Does not transfer to members of an organization or to the

*Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment. Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.*

organization itself any risk or legal obligation to pay medical expenses.

An organization that operates a program must:

- Provide a notice to the public that the program is not an insurance plan or policy, that the organization is not engaged in the business of insurance, that payment of a member's medical bills is voluntary, that some medical expenses may be excluded despite requirements under health insurance laws for health insurance plans to cover such expenses, and that each person is personally responsible for paying the person's own medical bills;
- Before approving a membership application, obtain a signed written, signed affirmation from the applicant acknowledging that the applicant has received and understands the notice, has received other program materials, and understands that a third party may receive a commission for enrolling the member;
- Report specified financial and transactional information to members monthly and annually, which may be accomplished by sharing a link where the information is posted on the organization's public website;
- Submit to an annual, independent audit of the program's financial information;
- Post on its public-facing website and report to the attorney general by providing a link to the website specified information about the organization, including the name and contact information, program materials, the annual financial audit, and information about Colorado membership in the program;
- Operate only under the name or names reported on its public-facing website, not make or circulate any statement or publication representing that the program is insurance or otherwise materially misrepresenting the program terms and conditions, and not engage in an excess benefit transaction, as defined in the federal "Internal Revenue Code of 1986" (tax code), if the organization identifies as a nonprofit organization under the tax code; and
- Indicate on membership cards and in communications to providers that the program is not health insurance and that members are personally responsible for paying their own medical bills.

The attorney general is authorized to issue a notice of noncompliance to an organization that is failing to comply with the requirements specified in the bill, and if the organization's failure continues for more than 45 days, to seek an injunction or an



1 SHARING CRITERIA ADOPTED BY THE ORGANIZATION OR THE MEMBERS;  
2 AND

3 (b) WITH RESPECT TO ANY MEDICAL EXPENSES INCURRED BY ANY  
4 MEMBER, EXPRESSLY PROVIDES NO TRANSFER OF RISK TO OR LEGAL  
5 OBLIGATION TO PAY IMPOSED ON THE MEMBERS OF OR THE ORGANIZATION  
6 OPERATING THE PROGRAM.

7 (2) "MEMBER" MEANS AN INDIVIDUAL OR HOUSEHOLD  
8 PARTICIPATING IN A MEDICAL EXPENSE SHARING PROGRAM.

9 (3) "RELIGIOUS ORGANIZATION SHARING PROGRAM" MEANS A  
10 MEDICAL EXPENSE SHARING PROGRAM THAT:

11 (a) IS OPERATED BY AN ORGANIZATION THAT IS ORGANIZED AND  
12 OPERATED PRIMARILY FOR RELIGIOUS PURPOSES; AND

13 (b) FACILITATES THE SHARING OF MEMBER HEALTH-CARE BURDENS  
14 AND MEDICAL EXPENSES AS AN EXERCISE AND EXPRESSION OF THE  
15 MEMBERS' SINCERELY HELD RELIGIOUS BELIEFS.

16 **6-27-104. Medical expense sharing program - requirements.**

17 (1) **Notice.** ANY ORGANIZATION OPERATING A MEDICAL EXPENSE  
18 SHARING PROGRAM SHALL PROVIDE ON OR WITH ALL NEW MEMBER  
19 APPLICATIONS AND PROGRAM GUIDELINES MATERIALS DISTRIBUTED BY OR  
20 ON BEHALF OF THE ORGANIZATION TO RESIDENTS OF THIS STATE A  
21 WRITTEN DISCLAIMER THAT STATES, IN SUBSTANCE:

22 NOTICE

23 THE ORGANIZATION FACILITATING THE SHARING OF  
24 MEDICAL EXPENSES IS NOT AN INSURANCE COMPANY, AND  
25 NEITHER THIS PROGRAM'S GUIDELINES NOR PLAN OF  
26 OPERATION CONSTITUTES AN INSURANCE POLICY OR PLAN  
27 OR THE BUSINESS OF INSURANCE. WHETHER ANYONE

1 CHOOSES TO ASSIST YOU WITH YOUR MEDICAL BILLS WILL  
2 BE TOTALLY VOLUNTARY, AS NEITHER THIS PROGRAM NOR  
3 ANY MEMBER WILL BE LEGALLY OBLIGATED OR OTHERWISE  
4 COMPELLED BY LAW TO CONTRIBUTE TOWARD YOUR  
5 MEDICAL BILLS. IN ADDITION, SOME MEDICAL EXPENSES  
6 REQUIRED TO BE COVERED OR COMMONLY COVERED BY  
7 INSURANCE, INCLUDING PREEXISTING CONDITIONS, MAY NOT  
8 BE ELIGIBLE FOR SHARING UNDER THE PROGRAM. WHETHER  
9 YOU RECEIVE ANY PAYMENTS FOR MEDICAL EXPENSES AND  
10 WHETHER OR NOT THIS PROGRAM CONTINUES TO OPERATE,  
11 YOU ARE ALWAYS PERSONALLY RESPONSIBLE FOR THE  
12 PAYMENT OF YOUR OWN MEDICAL BILLS.

13 (2) **Member application statement.** ANY ORGANIZATION  
14 OPERATING A MEDICAL EXPENSE SHARING PROGRAM SHALL OBTAIN FROM  
15 ANY MEMBER APPLICANT WHO IS A RESIDENT OF THIS STATE, PRIOR TO THE  
16 APPLICANT BECOMING A MEMBER, A WRITTEN AFFIRMATION SIGNED BY  
17 THE APPLICANT, EITHER IN HARD COPY OR ELECTRONIC FORMAT, STATING  
18 IN SUBSTANCE THAT THE APPLICANT:

19 (a) HAS READ AND UNDERSTANDS THE NOTICE DESCRIBED IN  
20 SUBSECTION (1) OF THIS SECTION AND ACKNOWLEDGES AND AGREES TO  
21 THE TERMS AND CONDITIONS SET FORTH IN THE NOTICE;

22 (b) (I) HAS BEEN PROVIDED WITH AND HAD AN OPPORTUNITY TO  
23 REVIEW THE PROGRAM MATERIALS DESCRIBING THE TERMS AND  
24 CONDITIONS OF THE PROGRAM, INCLUDING:

25 (A) THE TYPES OF MEDICAL EXPENSES THAT ARE ELIGIBLE FOR  
26 SHARING UNDER THE PROGRAM; AND

27 (B) THE RULES FOR APPEALS OF SHARING ELIGIBILITY

1 DETERMINATIONS MADE BY THE ORGANIZATION AND FOR FILING  
2 COMPLAINTS; AND

3 (II) ACKNOWLEDGES AND AGREES TO THE TERMS AND  
4 CONDITIONS;

5 (c) HAS BEEN PROVIDED WITH AND HAD AN OPPORTUNITY TO  
6 REVIEW THE INFORMATION THAT THE ORGANIZATION IS REQUIRED TO  
7 REPORT PURSUANT TO SUBSECTIONS (3)(a) AND (3)(b) OF THIS SECTION  
8 FOR THE MOST RECENT REPORTING PERIOD;

9 (d) ACKNOWLEDGES, IF APPLICABLE, THAT A THIRD PARTY WILL  
10 RECEIVE A COMMISSION WITH RESPECT TO THE APPLICANT'S ENROLLMENT  
11 AS A MEMBER; AND

12 (e) ACKNOWLEDGES, IF APPLICABLE, THAT THE ORGANIZATION IS  
13 NOT A FEDERALLY TAX-EXEMPT ORGANIZATION DESCRIBED IN SECTION  
14 501 (c)(3) OF THE FEDERAL "INTERNAL REVENUE CODE OF 1986", AS  
15 AMENDED.

16 (3) **Reporting to members. (a) Financial information.** EXCEPT  
17 AS DESCRIBED IN SUBSECTION (3)(c) OF THIS SECTION, AN ORGANIZATION  
18 OPERATING A MEDICAL EXPENSE SHARING PROGRAM SHALL PROVIDE EACH  
19 MONTH TO EACH MEMBER WHO IS A RESIDENT OF THIS STATE A STATEMENT  
20 LISTING:

21 (I) THE TOTAL DOLLAR AMOUNT OF CONTRIBUTIONS IN AMOUNTS  
22 DETERMINED BY THE ORGANIZATION THAT WERE MADE BY THE MEMBERS  
23 IN THE PRIOR MONTH AND IN THE PRIOR TWELVE MONTHS;

24 (II) THE TOTAL DOLLAR AMOUNT OF MEDICAL EXPENSES INCURRED  
25 BY THE PROGRAM'S MEMBERS THAT WERE SHARED BY THE PROGRAM'S  
26 MEMBERS FROM THE CONTRIBUTIONS DESCRIBED IN SUBSECTION (3)(a)(I)  
27 OF THIS SECTION, EITHER DIRECTLY OR THROUGH THE ORGANIZATION, IN

1 THE PRIOR MONTH AND IN THE PRIOR TWELVE MONTHS;

2 (III) THE TOTAL DOLLAR AMOUNT OF MEDICAL EXPENSES THAT  
3 WERE SUBMITTED BY THE MEMBERS FOR SHARING IN THE PRIOR MONTH  
4 AND IN THE PRIOR TWELVE MONTHS AND THAT ARE ELIGIBLE FOR SHARING  
5 IN ACCORDANCE WITH THE PROGRAM'S CRITERIA, EXCLUDING ANY  
6 AMOUNTS THAT THE MEMBERS INCURRING THE EXPENSES MUST PAY PRIOR  
7 TO RECEIVING SHARING CONTRIBUTIONS FROM OTHER MEMBERS; AND

8 (IV) THE TOTAL DOLLAR AMOUNT OF MEDICAL EXPENSES THAT  
9 HAVE BEEN SUBMITTED BY THE MEMBERS FOR SHARING AND THAT ARE  
10 ELIGIBLE FOR SHARING IN ACCORDANCE WITH THE PROGRAM'S CRITERIA  
11 BUT THAT HAD NOT YET BEEN SHARED AS OF THE END OF THE PRIOR  
12 MONTH, EXCLUDING ANY AMOUNTS THAT THE MEMBERS INCURRING THE  
13 EXPENSES MUST PAY PRIOR TO RECEIVING SHARING CONTRIBUTIONS FROM  
14 OTHER MEMBERS.

15 (b) **Related party transactions.** EXCEPT AS DESCRIBED IN  
16 SUBSECTION (3)(c) OF THIS SECTION, AN ORGANIZATION OPERATING A  
17 MEDICAL EXPENSE SHARING PROGRAM SHALL PROVIDE TO EACH MEMBER  
18 WHO IS A RESIDENT OF THIS STATE, BY MARCH 31 OF EACH YEAR, A  
19 STATEMENT IDENTIFYING, FOR EACH TRANSACTION IN THE PRIOR  
20 CALENDAR YEAR BETWEEN THE ORGANIZATION AND A DISQUALIFIED  
21 PERSON, AS DEFINED IN 26 U.S.C. SEC. 4958 (f)(1), AS AMENDED, THE  
22 NAME OF THE DISQUALIFIED PERSON AND THE TOTAL AMOUNT EARNED BY  
23 OR PAYABLE TO THE DISQUALIFIED PERSON PURSUANT TO THE  
24 TRANSACTION IN THE PRIOR CALENDAR YEAR. FOR PURPOSES OF THIS  
25 SECTION, A TRANSACTION DOES NOT INCLUDE SERVICES RENDERED BY AN  
26 INDIVIDUAL AS AN OFFICER OR DIRECTOR OF THE ORGANIZATION.

27 (c) **Posting on public website.** IN LIEU OF PROVIDING ANY OF THE

1 INFORMATION IN SUBSECTIONS (3)(a) AND (3)(b) OF THIS SECTION IN A  
2 STATEMENT TO A MEMBER WHO IS A RESIDENT OF THIS STATE, AN  
3 ORGANIZATION MAY POST THE INFORMATION ON A SINGLE PAGE ON ITS  
4 PUBLICLY ACCESSIBLE WEBSITE AND, ON A MONTHLY BASIS, PROVIDE TO  
5 THE MEMBER A LINK TO THE APPLICABLE WEB PAGE.

6 (4) **Annual audit.** AN ORGANIZATION OPERATING A MEDICAL  
7 EXPENSE SHARING PROGRAM SHALL SUBMIT TO AN ANNUAL AUDIT  
8 PERFORMED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM IN  
9 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND  
10 SHALL MAKE THE AUDIT AVAILABLE TO THE PUBLIC BY PROVIDING A COPY  
11 UPON REQUEST OR BY POSTING ON A PAGE ON THE ORGANIZATION'S  
12 PUBLICLY ACCESSIBLE WEBSITE.

13 (5) **Annual public reporting.** NOT LESS THAN THIRTY DAYS  
14 AFTER AN ORGANIZATION COMMENCES OPERATING A MEDICAL EXPENSE  
15 SHARING PROGRAM, AND BY MARCH 31 OF EACH SUBSEQUENT CALENDAR  
16 YEAR IN WHICH THE ORGANIZATION CONTINUES TO OPERATE THE  
17 PROGRAM, AN ORGANIZATION SHALL POST THE FOLLOWING INFORMATION  
18 AND MATERIALS ON A SINGLE PAGE ON ITS PUBLICLY ACCESSIBLE WEBSITE  
19 AND SHALL FILE WITH THE ATTORNEY GENERAL A LINK TO THE APPLICABLE  
20 WEB PAGE:

21 (a) THE NAME OF THE ORGANIZATION, THE NAME OR NAMES USED  
22 TO IDENTIFY THE PROGRAM, THE NAME OF THE ORGANIZATION'S CHIEF  
23 EXECUTIVE OFFICER AND, IF DIFFERENT, THE NAME OF AN INDIVIDUAL IN  
24 THE ORGANIZATION SERVING AS A KEY CONTACT FOR THE ORGANIZATION,  
25 AS WELL AS A MAILING ADDRESS, E-MAIL ADDRESS, AND TELEPHONE  
26 NUMBER THAT CAN BE USED TO CONTACT THE OFFICER OR INDIVIDUAL,  
27 AND THE ORGANIZATION'S WEB ADDRESS FOR GENERAL INQUIRIES;

1 (b) COPIES OF ALL NEW MEMBER APPLICATION FORMS AND  
2 PROGRAM GUIDELINES USED BY THE ORGANIZATION IN THE PRIOR  
3 CALENDAR YEAR;

4 (c) A COPY OF THE ORGANIZATION'S MOST RECENT AUDITED  
5 ANNUAL FINANCIAL STATEMENTS;

6 (d) THE INFORMATION THAT THE ORGANIZATION IS REQUIRED TO  
7 REPORT PURSUANT TO SUBSECTIONS (3)(a) AND (3)(b) OF THIS SECTION  
8 WITH RESPECT TO THE PRIOR CALENDAR YEAR;

9 (e) THE TOTAL NUMBER OF MEMBERS OF THE ORGANIZATION'S  
10 MEDICAL EXPENSE SHARING PROGRAM WHO ARE RESIDENTS OF THIS STATE  
11 AS OF THE END OF THE PRIOR CALENDAR YEAR; AND

12 (f) IF THE ORGANIZATION IS DESCRIBED IN 26 U.S.C. SEC. 501  
13 (c)(3), AS AMENDED, A STATEMENT INDICATING WHETHER OR NOT THE  
14 ORGANIZATION HAS ENGAGED IN ANY EXCESS BENEFIT TRANSACTION, AS  
15 DEFINED IN 26 U.S.C. SEC. 4958 (c)(1), AS AMENDED.

16 (6) **Use of name.** AN ORGANIZATION OPERATING A MEDICAL  
17 EXPENSE SHARING PROGRAM SHALL NOT OPERATE THE PROGRAM UNDER  
18 ANY NAME OTHER THAN A NAME REPORTED PURSUANT TO SUBSECTION  
19 (5)(a) OF THIS SECTION.

20 (7) **No deceptive practices.** AN ORGANIZATION OPERATING A  
21 MEDICAL EXPENSE SHARING PROGRAM SHALL NOT MAKE, ISSUE, OR  
22 CIRCULATE OR CAUSE OR AUTHORIZE TO BE MADE, ISSUED, OR CIRCULATED  
23 ANY STATEMENT OR PUBLICATION THAT EITHER REPRESENTS THAT THE  
24 PROGRAM IS INSURANCE OR MATERIALLY MISREPRESENTS THE TERMS OR  
25 CONDITIONS OF THE PROGRAM.

26 (8) **Membership cards and provider communications.** AN  
27 ORGANIZATION OPERATING A MEDICAL EXPENSE SHARING PROGRAM SHALL

1 INCLUDE ON ANY MEMBERSHIP CARD OR SIMILAR DOCUMENT ISSUED TO  
2 MEMBERS AND IN ANY WRITTEN COMMUNICATION SENT BY THE  
3 ORGANIZATION TO A HOSPITAL, PHYSICIAN, OR OTHER HEALTH-CARE  
4 PROVIDER A STATEMENT THAT THE PROGRAM IS NOT HEALTH INSURANCE  
5 AND THAT THE MEMBER IS PERSONALLY LIABLE FOR PAYMENT OF THE  
6 MEMBER'S OR PARTICIPANT'S MEDICAL BILLS.

7 (9) **No excess benefit transactions.** AN ORGANIZATION THAT IS  
8 DESCRIBED IN 26 U.S.C. SEC. 501 (c)(3), AS AMENDED, AND THAT  
9 OPERATES A MEDICAL EXPENSE SHARING PROGRAM SHALL NOT ENGAGE IN  
10 ANY EXCESS BENEFIT TRANSACTION AS DESCRIBED IN 26 U.S.C. SEC. 4958,  
11 AS AMENDED.

12 **6-27-105. Enforcement. (1) Noncompliance. (a)** THE  
13 ATTORNEY GENERAL MAY ISSUE A NOTICE TO ANY ORGANIZATION  
14 OPERATING A MEDICAL EXPENSE SHARING PROGRAM IF THE ATTORNEY  
15 GENERAL DETERMINES THAT THE ORGANIZATION HAS FAILED TO COMPLY  
16 WITH THE APPLICABLE PORTIONS OF SECTION 6-27-104. IF THE FAILURE TO  
17 COMPLY CONTINUES FOR MORE THAN FORTY-FIVE DAYS AFTER THE  
18 ORGANIZATION HAS BEEN NOTIFIED OF THE ALLEGED VIOLATION, THE  
19 ATTORNEY GENERAL MAY SEEK AN ORDER IN THE DISTRICT COURT IN AND  
20 FOR THE CITY AND COUNTY OF DENVER TO ENJOIN THE VIOLATION OR  
21 IMPOSE AN ADMINISTRATIVE PENALTY OF NOT MORE THAN TWO HUNDRED  
22 FIFTY DOLLARS PER DAY THAT THE VIOLATION CONTINUED AFTER RECEIPT  
23 OF THE NOTICE.

24 (b) THIS SUBSECTION (1) DOES NOT PRECLUDE THE IMPOSITION ON  
25 ANY ORGANIZATION OR PERSON OF ANY OTHER REMEDY OR ACTION  
26 AUTHORIZED UNDER ANY OTHER APPLICABLE LAW.

27 (2) **Insurance code. (a)** A MEDICAL EXPENSE SHARING PROGRAM

1 IS NOT SUBJECT TO ANY OF THE INSURANCE LAWS OR RULES OF COLORADO,  
2 INCLUDING TITLE 10, IF:

3 (I) THE PROGRAM FACILITATES THE SHARING OF A MEMBER'S  
4 ELIGIBLE MEDICAL EXPENSES THROUGH THE TRANSFER OF FUNDS TO THE  
5 MEMBER OR TO THE APPLICABLE PROVIDER DIRECTLY FROM ONE OR MORE  
6 OTHER MEMBERS AS DESIGNATED BY THE ORGANIZATION OPERATING THE  
7 PROGRAM; AND

8 (II) THE ORGANIZATION:

9 (A) IS DESCRIBED IN 26 U.S.C. SEC. 501 (c)(3); AND

10 (B) DOES NOT OWN THE FUNDS DESCRIBED IN SUBSECTION (2)(a)(I)  
11 OF THIS SECTION.

12 (b) FOR PURPOSES OF THIS SUBSECTION (2):

13 (I) THE TRANSFER OF A MEMBER'S FUNDS FROM AN ACCOUNT HELD  
14 FOR THE BENEFIT OF, OR IN TRUST FOR, THE MEMBER OR THE PROGRAM  
15 MEMBERSHIP CONSTITUTES THE TRANSFER OF FUNDS DIRECTLY FROM THE  
16 MEMBER;

17 (II) AN ORGANIZATION IS DEEMED NOT TO OWN FUNDS HELD IN AN  
18 ACCOUNT DESCRIBED IN SUBSECTION (2)(b)(I) OF THIS SECTION; AND

19 (III) EXCEPT AS SET FORTH IN SUBSECTION (2)(b)(II) OF THIS  
20 SECTION, AN ORGANIZATION IS DEEMED TO OWN ANY FUNDS REQUIRED TO  
21 BE REPORTED AS REVENUE OR ASSETS OF THE ORGANIZATION ON THE  
22 ORGANIZATION'S AUDITED FINANCIAL STATEMENTS OR THE  
23 ORGANIZATION'S FEDERAL FORM 990 FILED WITH THE FEDERAL INTERNAL  
24 REVENUE SERVICE.

25 (3) **Religious exercise protection.** (a) NOTHING IN THIS ARTICLE  
26 27 SHALL BE:

27 (I) APPLIED IN A MANNER THAT FOSTERS AN EXCESSIVE

1 GOVERNMENT ENTANGLEMENT WITH RELIGION; OR

2 (II) CONSTRUED TO LIMIT ANY PROTECTION OF RELIGIOUS  
3 EXERCISE RIGHTS UNDER FEDERAL, STATE, OR LOCAL LAW OTHERWISE  
4 APPLICABLE TO ANY ORGANIZATION OPERATING A RELIGIOUS  
5 ORGANIZATION SHARING PROGRAM OR TO ANY MEMBER OF A RELIGIOUS  
6 ORGANIZATION SHARING PROGRAM EXERCISING THE MEMBER'S RELIGIOUS  
7 BELIEFS.

8 (b) A PROVISION OF THIS ARTICLE 27 OR OF TITLE 10 THAT  
9 SUBSTANTIALLY BURDENS THE RELIGIOUS EXERCISE OF ANY  
10 ORGANIZATION OPERATING A RELIGIOUS ORGANIZATION SHARING  
11 PROGRAM OR OF ANY MEMBER OF A RELIGIOUS ORGANIZATION SHARING  
12 PROGRAM EXERCISING THE MEMBER'S RELIGIOUS BELIEFS IS ENFORCEABLE  
13 AGAINST THE ORGANIZATION OR MEMBER ONLY IF THE STATE CAN  
14 DEMONSTRATE THAT THE ENFORCEMENT IS THE LEAST RESTRICTIVE  
15 MEANS OF FURTHERING A COMPELLING GOVERNMENTAL INTEREST.

16 (4) **Administration.** THE ATTORNEY GENERAL SHALL FACILITATE  
17 THE ANNUAL FILING BY EACH APPLICABLE ORGANIZATION OF A WEBSITE  
18 LINK AS SET FORTH IN SECTION 6-27-104 (5) AND MAY IMPOSE A FEE IN AN  
19 AMOUNT NOT TO EXCEED ONE HUNDRED DOLLARS FOR EACH FILING.

20 **SECTION 2. Act subject to petition - effective date.** This act  
21 takes effect October 1, 2022; except that, if a referendum petition is filed  
22 pursuant to section 1 (3) of article V of the state constitution against this  
23 act or an item, section, or part of this act within the ninety-day period  
24 after final adjournment of the general assembly, then the act, item,  
25 section, or part will not take effect unless approved by the people at the

1 general election to be held in November 2022 and, in such case, will take  
2 effect on the date of the official declaration of the vote thereon by the  
3 governor.